

Kind Regards,

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From: Mark Stout [mailto:mark.stout@apolloenergiesinc.com]

Sent: Friday, November 25, 2011 5:32 PM

To: 'Catherine Cross for Commissioner Commissioner Weisenmiller'; 'Cathy Graber for Commissioner Weisenmiller'; 'Marlena Elliott for Commissioner Boyd'; 'Kathleen McDonnell for Commissioner Peterman'

Subject: Funding for CHF

To All California Energy Commission Commissioners,

I have been growing my business with the help of CHF's financing model. I have been able to grow my business by leveraging the sales of many solar contractors and giving the resultant energy efficiency work to general contractors. This is energy efficiency upgrades on homes that are about to get solar. While trying to just get homes energy efficient on their own has been challenging, even with the rebates, leveraging those homeowners who want solar has been an easier sell. Part of the problem has been in the way the EUC program was structured. Homeowners are left to find a contractor they don't know, are leery of, and can only hope are reliable, ethical and trustworthy. A tall task for any homeowner under normal circumstances, much less in this current economy. But Apollo Energies takes a different approach. We independently conduct the HERS II Energy Assessment and BPI CAS testing during the Test In. We create a scope of work based on the data collected during the Test In and send it out to bid on behalf of the homeowner. In this way the contractors are bidding on work they have no vested interest in selling. The sell is already done. A sales rep for a HVAC contractor participating in EUC might very well believe they're doing the homeowner a favor by selling them a new 96% energy efficient furnace, even though their furnace might be burning its fuel at 90%. We would not

recommend such an upgrade in the instance where the furnace is burning at 90%. However that same furnace might be tied to a 10/12/13 SEER air conditioner. We would recommend upgrading the AC unit. We not only conduct the HERS & BPI and develop the scope of work, we'll also repeat the HERS & BPI testing on the Test Out to insure for the homeowner the contractor completed the scope of work and didn't inadvertently create any unhealthy issues for the homeowner. We compare our BPI CAS test results from the Test Out to the results from the Test In. Not only should we see the same results, but if there's a problem undiscovered by the contractor upon completing their work we will catch it at this stage. The HERS II energy assessment rates the home and quantifies the energy savings and we help the homeowner get the rebates they're entitled to. This approach has seen skeptical or reluctant homeowners do an about face once we explain what we are going to do and why.

Many homeowners want to upgrade but simply don't have the financial means to do so. They want to reduce their reliance on PG&E or SMUD, and therefore would like to install solar panels. The main drawback is available funding. Many can't qualify for traditional financing or the cost of that financing is too much given this economy. It's much more easier to sell a homeowner on upgrading if they're going to be spending less servicing a CHF loan and their gas bill than they would be continuing to spend what they're spending now with PG&E. I can only assume homeowners in SDG&C and SoCal Edison are in the same boat. We know that the larger solar contractors are generating over \$20M in the sale of solar and by leveraging those sales we have been able to not only increase the number of solar sales but those solar sales are now incorporating energy efficiency measures.

CHF financing has become a critical financing component, if not the only financing component, available to many homeowners. This program not only needs sufficient funding, it needs it well into the foreseeable future. It's helping to meet EUC's goals of creating jobs and getting homeowners 40% energy efficient by 2020. By partnering with solar contractors we're getting many homeowners to zero net or close to it. If this commission is serious about getting Californians 40% energy efficient, or zero net by 2020, a lofty goal to be sure, CHF is one of your best programs in achieving that goal. While there may be other programs that may be as successful as CHF and deserve a shot. It should not be at the expense of CHF.

I strongly urge this commission adopt a \$14M funding authorization for CHF and fund CHF using funds from underperforming programs.

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